



DEPARTMENT of the INTERIOR

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INTERIOR DEPARTMENT SEEKS PUBLIC COMMENTS ON DRAFT REPORT REGARDING OIL AND GAS POTENTIAL ON ARCTIC NATIONAL WILDLIFE REFUGE

The coastal plain of the Arctic National Wildlife Refuge in Alaska is "the most outstanding oil and gas frontier remaining in the United States," according to a draft report released to the public today by the Department of the Interior.

William P. Horn, Assistant Secretary for Fish and Wildlife and Parks, said he was making the draft report and legislative environmental impact statement (LEIS) on the oil and gas potential of the Arctic refuge available for public review. Public comments will be considered by the Secretary of the Interior before he makes his recommendation concerning future management of the coastal plain which will be contained in a final report and LEIS to be submitted to Congress next spring.

The draft report, "Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment," predicts that the 1.5 million acre coastal plain area within the 19 million acre refuge could contain more than 29.4 billion barrels of oil and 64.5 trillion cubic feet of gas in-place. The refuge coastal plain, which constitutes about 8 percent of the refuge, also has outstanding wildlife values and perhaps is best known to the public as part of the calving grounds for the large migratory Porcupine caribou herd. Other species using the area include musk oxen, polar and brown bears, and many kinds of migratory birds.

The Interior Department is preparing the report to fulfill the requirements of Section 1002(h) of the Alaska National Interest Lands Conservation Act (ANILCA). Section 1002(h) requires the Interior Department to study the wildlife and energy values of the coastal plain and report to Congress on the study results and requires the Secretary of the Interior to make recommendations.

Since ANILCA was enacted in 1980, the U.S. Fish and Wildlife Service has studied the biological resources of the area extensively, and the U.S. Geological Survey, the Bureau of Land Management, and exploration crews from private industry have conducted surface geologic studies. Approximately 1300 gravity readings and more than 1300 line miles of seismic data also were acquired by industry under special-use permits issued by the Fish and Wildlife Service, which administers the refuge. The analyses of these biological and geological data represent the efforts of more than 50 Interior Department scientists.

Horn said the range of alternatives identified in the draft report includes leasing the entire area for oil and gas development; leasing a limited area; permitting additional exploration, including exploratory wells; taking no action regarding oil and gas activity but including the area in the comprehensive conservation planning process for the Arctic refuge; or designating the coastal plain as wilderness. The report also examines the potential environmental consequences of each alternative.

Horn said that, on the basis of the draft report's findings, he is proposing to recommend that the entire coastal plain be made available for oil and gas leasing, with necessary environmental safeguards. Horn's proposed recommendation is being circulated as a part of the draft report and LEIS for public review and comment. He emphasized that the final recommendation to Congress will be made by Secretary Hodel and that the final decision about management of the area will be made by Congress.

"Based on the analyses presented, on the national need for domestic sources of oil and gas, and on the ability of industry to minimize damage as demonstrated in oil and gas activities elsewhere in the Alaskan arctic, I am proposing full leasing of the coastal plain," Horn said. "To afford the special protection necessary to conserve the high natural resource values of the coastal plain, the recommendation asks for authority to impose restrictions to ensure environmental integrity during oil and gas operations. Development must result in no unnecessary adverse effects, and unavoidable habitat losses should be fully compensated."

The public comments being solicited will assist Secretary Hodel in making his final recommendation. Comments will be included as a part of the final report and LEIS to Congress. By releasing the draft report and LEIS at this time, the Interior Department is commencing the administrative requirements imposed by the district court's February 25, 1986, order in Trustees for Alaska, et al. v. Donald Hodel, et al., (D.AK), a case brought under the National Environmental Policy Act (NEPA) to challenge the Department's plans for the preparation of the report. The district court ruled that the Department is required by NEPA to provide the public an opportunity to participate in the preparation of the report in advance of its submission to Congress. The Department has appealed the district court's order to the ninth circuit court of appeals, but no decision on the appeal has been rendered yet. In initiating the steps necessary under the court's order to permit the submission of the final report and LEIS by next spring, the Department does not feel that its action makes the appeal moot.

Limited numbers of copies of the report are available from Clay Hardy, U.S. Fish and Wildlife Service, 1011 East Tudor Road, Anchorage, Alaska 99503; or from Noreen Clough, Division of Refuge Management, Room 2343, U.S. Department of the Interior, 18th and C Streets NW., Washington, DC 20240. Written comments should be sent to the U.S. Fish and Wildlife Service, Attention: Division of Refuge Management, 2343 Main Interior Building, 18th and C Streets NW., Washington, DC 20240, by January 23, 1987.

The Fish and Wildlife Service plans to hold public meetings in Anchorage and Kaktovik, Alaska, and Washington, DC, to receive public comments. The Washington, DC, meeting will be held January 9, 1987, at 1:30 p.m., in the Interior Building auditorium. Dates and locations of the Kaktovik and Anchorage meetings will be announced at a later date.

The final report and LEIS is scheduled to be released in March 1987.

ARCTIC NATIONAL WILDLIFE REFUGE, ALASKA
HIGHLIGHTS FROM COASTAL PLAIN RESOURCE ASSESSMENT EXECUTIVE SUMMARY
November 24, 1986

Oil Potential

- o Analysis of geologic studies indicates that the 1002 area is clearly the most outstanding oil and gas frontier remaining in the U.S.
- o The area is estimated to contain oil in-place of:
 - (95% chance) more than 4.8 billion barrels (BB);
 - (5% chance) more than 29.4 BB; and,
 - (mean) 13.8 BB.
- o Technological and economic conditions were applied to the in-place figures to estimate the amount of oil recoverable:
 - (95% chance) 0.6 BB;
 - (5% chance) 9.2 BB;
 - (mean) 3.2 BB.

Contribution to National Need for Domestic Energy

- o An orderly leasing program on the 1002 area with necessary environmental safeguards could contribute billions of barrels of additional oil reserves toward the national need for domestic sources.
- o Oil consumption in the U.S. has exceeded domestic production for more than 20 years.
- o Oil from the 1002 area could help achieve several national economic and security objectives, including savings when domestic oil costs are lower than imported oil costs and reduction in economic vulnerability to disruptions of supply. Benefits would also be manifested in jobs, lower balance of trade deficits, and increased tax revenues to all levels of government.
- o Continued dependence on imports for a substantial portion of total U.S. oil consumption creates the potential for the U.S. to be drawn into dangerous political and military situations involving exporting nations.

Transportation & Development

- o In the scenarios used to assess development requirements, an inland pipeline was selected for transporting oil to Prudhoe Bay to connect with the existing Trans Alaska Pipeline (TAPS).
- o Today, Prudhoe Bay contributes approximately 20 percent of domestic production; but, Prudhoe Bay production has peaked and a decline is expected by 1988.
- o Declines in Prudhoe production would coincide with the time when production might begin in the 1002 area.

Wildlife

- o A 242,000-acre area in the southeast part of the 1002 area is used as a core calving area by the Porcupine caribou herd. To afford protection to this special area, the Department would want to structure a leasing program that offered this area last for leasing.

- o This would permit experience obtained from development in the rest of the area to be applied in developing mitigation for activities in the calving area.
- o The Department would also ask the Congress for the authority to impose any restrictions necessary to ensure that unnecessary adverse effects are avoided and to require compensation in the event of significant unavoidable losses of habitat quality.
- o Other species using the area include musk oxen, polar and brown bears, and many kinds of migratory birds.

Environmental Consequences

- o The U.S. Fish and Wildlife Service predicted the environmental consequences of developing the entire 1002 area to be some long-term effects on the area's fish and wildlife resources, subsistence uses, and wilderness values.
- o Most adverse effects would be minimized or eliminated through carefully applied mitigation using the lessons learned and technology acquired from development at Prudhoe Bay and from construction of the Trans Alaska Pipeline System (TAPS).
- o The evidence generated during the 18 years of exploration and development at Prudhoe Bay indicates minimal impact on wildlife resources. The TAPS, Dalton Highway and Prudhoe Bay and Kuparuk oil fields all lie within the Central Arctic caribou herd's range. Despite this activity, the herd has been increasing.

Kaktovik and its Inupiat Villagers

- o The village of Kaktovik is the only village within the boundaries of the Arctic Refuge.
- o Nearly 90 percent of its 200 residents are Native Inupiat Eskimo who have strong cultural links to lands in and adjacent to the 1002 area.
- o Approximately 68 percent of Kaktovik's present subsistence land use is within the Arctic Refuge, including the entire 1002 area.
- o Industrial development could profoundly affect the Native culture. Increased education, employment and health services would be positive benefits. Industrial development also would hasten changes from a lifestyle based on subsistence, community sharing and a dependence on the land to a society with a cash-based economy.

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